

SENATE BILL NO. 475

August 29, 2019, Introduced by Senator SCHMIDT and referred to the Committee on Appropriations.

A bill to amend 1984 PA 431, entitled
"The management and budget act,"
by amending section 367b (MCL 18.1367b), as amended by 2018 PA 613.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 367b. (1) A revenue estimating conference shall be held
2 in the second week of January and in the third week in May of each
3 year, and as otherwise provided in this act.

4 (2) The principals of the conference ~~shall be~~ **are** the state

1 budget director or the state treasurer, the director of the senate
 2 fiscal agency, and the director of the house fiscal agency, or
 3 their respective designees.

4 (3) The conference shall establish an official economic
 5 forecast of major variables of the national and state economies.
 6 The conference shall also establish a forecast of anticipated state
 7 revenues as the conference determines including the following:

8 (a) State income tax collections.

9 (b) State sales tax collections.

10 (c) Corporate income tax collections.

11 (d) Michigan business tax collections.

12 (e) Total general fund/general purpose revenues.

13 (f) Lottery transfers to the school aid fund.

14 (g) Total school aid fund revenues.

15 (h) Annual percentage growth in the ~~basic~~**-target** foundation
 16 allowance provided for in the state school aid act of 1979, 1979 PA
 17 94, MCL 388.1601 to ~~388.1896~~**-388.1897/**. **In establishing this**
 18 **forecast in January and May of 2020, the conference shall take into**
 19 **account the change in terminology from "basic foundation allowance"**
 20 **to "target foundation allowance" that occurred in the amendments**
 21 **made to section 20 of the state school aid act of 1979, 1979 PA 94,**
 22 **MCL 388.1620, for the 2019-2020 fiscal year.**

23 (i) Compliance with the state revenue limit established by
 24 section 26 of article IX of the state constitution of 1963.

25 (j) Pay-ins or maximum allowable pay-outs under the
 26 countercyclical budget and economic stabilization fund.

27 (4) The ~~conference's~~**conference shall determine its** official
 28 forecast of economic and revenue variables ~~shall be determined by~~
 29 consensus among the principals.

1 (5) The **conference shall make** forecasts ~~required by~~**under** this
2 section ~~shall be~~ for the fiscal year in which the conference is
3 being held and the next 2 ensuing fiscal years. The conference
4 shall also forecast general fund/general purpose revenue trend line
5 projections and school aid fund revenue trend line projections for
6 the next 2 ensuing fiscal years.

7 (6) The May revenue estimating conference shall establish
8 expenditure forecasts for Medicaid expenditures and for human
9 services caseloads and expenditures for the fiscal year in which
10 the conference is being held and the next 2 ensuing fiscal years.

11 (7) The **conference shall make** official conference forecasts of
12 revenues and expenditures ~~shall be~~ based upon the assumption that
13 the current law and current administrative procedures will remain
14 in effect for the forecast period.

15 Enacting section 1. This amendatory act takes effect October
16 1, 2019.